DOCUMENT RESUME

ED 437 870 HE 032 702

AUTHOR Roane, Warren
TITLE The "Failure" of Private Universities in Uruguay: A Tale of Three Institutions. ASHE Annual Meeting Paper.
PUB DATE 1999-11-18
NOTE 13p.; Paper presented at the Annual Meeting of the Association for the Study of Higher Education (24th, San Antonio, TX, November 18-21, 1999) as part of the International Forum.
PUB TYPE Reports - Research (143) -- Speeches/Meeting Papers (150)
EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Developing Institutions; Foreign Countries; Government School Relationship; Higher Education; Institutional Autonomy; Institutional Mission; *Institutional Survival; *Politics of Education; *Private Colleges; Privatization
IDENTIFIERS *ASHE Annual Meeting; *Uruguay

ABSTRACT

In Latin America private universities are a recent phenomenon; Uruguay began its experiment with privatization only 15 years ago. This study explores several factors which have impeded formation of private universities by analyzing the "failures" of three institutions. The theoretical framework of the study is based on work by D.C. Levy (1986), who cited five necessary conditions for privatization of universities in Latin America: freedom, choice, equity, effectiveness, and usefulness to the state. The first institution cited, the Centro de Estudios Universitarios, formed by Christian missionaries in 1993, lacked institutional autonomy and was denied official recognition. The university failed when it lost faculty through missionary reassignment and was unable to attract students because of government impediments to advertising. The second institution, the University of Maryland-Montevideo, operated from 1992-98. Its failure resulted from a poorly designed academic calendar, high student costs, and the requirement that students had to be proficient in English. The third institution, the Instituto de Economia de Montevideo, which provided postsecondary training for economists and bankers from 1990-98, fulfilled none of the conditions cited by Levy; however when other institutions began to copy its offerings, its survival was threatened. It continues to teach economics courses, but has become part of a nonprofit foundation. (Contains 12 references.) (CH)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 437 870

The "Failure" of Private Universities in Uruguay: A Tale of Three Institutions

ASHE International Forum

Research Papers D: Privatization, Internationalization, Homogenization

Thursday, November 18, 1999
San Antonio, Texas

Warren Roane
Casilla de Correo 1448
Montevideo, Uruguay 11000
ceu@chasque.apc.org

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

V. Vaughn

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

■ This document has been reproduced as received from the person or organization originating it.

□ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

BEST COPY AVAILABLE

HE 032 702

ASHE *Association for the Study of Higher Education*

Headquartered at the University of Missouri-Columbia • College of Education • Department of Educational Leadership and Policy Analysis • 211 Hill Hall, Columbia, MO 65211 • 573-882-9645 • fax 573-884-5714

This paper was presented at the annual meeting of the Association for the Study of Higher Education held in San Antonio, Texas, November 18-21, 1999. This paper was reviewed by ASHE and was judged to be of high quality and of interest to others concerned with higher education. It has therefore been selected to be included in the ERIC collection of ASHE conference papers.

The "Failure" of Private Universities in Uruguay:
A Tale of Three Institutions

Introduction

Private universities are an important part of the landscape of post-secondary education. It would seem foolish to deny their usefulness, proven through several centuries. However in Latin America, private universities are a recent phenomenon, yet "any attempt to understand contemporary Latin American higher education [must] take into account the dramatic changes wrought by privatization"(Levy, 1986, p. 334). In particular, the small republic of Uruguay has begun to experiment with privatization of universities only in the last fifteen years. It is one of the last countries in the Western Hemisphere to do so, despite its historic reputation of being a modern (and model) state. Nevertheless, several factors have impeded its recognition of private universities; namely, a history of educational excellence, the low impact of the Catholic church on society, and state-imposed restrictions. This study will explore these factors and analyze the failures of three institutions of higher learning using considerations developed by Levy to study private universities in Latin America.

Background of the study

Uruguay is the center of the MERCOSUR, the South American economic consortium consisting of Argentina, Brazil, Uruguay and Paraguay. In its role as the administrative center, this small country of three million people needs to prepare itself for this task, at a time when the national university has been paralyzed by debate about its purpose (Bossi, 1994; CEPAL, 1994; Errandonea, 1998). The Ministry of Education contemplates recognition of more than 30 private universities. No studies have been conducted on the impact of private higher education in Uruguay, as it is a recent phenomenon. Yet several private institutions have already "failed" in the few years in which it has been possible to operate. These failures need to be examined to see if privatization of tertiary education is viable in Uruguay.

Impediments to private universities in Uruguay

Unlike its gigantic neighbors Brazil and Argentina, Uruguay had no private providers of post-secondary education until 1985. The fact that the one national university had no competition is due to several reasons.

First, the Catholic church had less of an impact on Uruguay than on other Latin American countries. Only in modern times has the Catholic church placed emphasis on Uruguay. For example, the first archbishop was named as late as 1853 (Traversoni, Mazzara & Arocena, 1991). The first (and only) Catholic university was opened in 1985, whereas many Latin American countries had Catholic "universities" soon after the time of the conquistadors. Some see the opening of the Catholic University, at the time of the dictatorship (1973-1985), as due to the pressure of special interest groups as well as the revenge of the military on the "liberal" national university (Errandonea, 1998). The national university states that private universities were recognized in Uruguay during "the nefarious period of dictatorship and intervention"and that multinational corporations and entities forced Uruguay "to focus on primary education and restrict public university spending" (La universidad, 1997, p.32). Though it sees itself as the "mother" of the national university, only now is the Church reclaiming tertiary education ("El mensaje," 1999). The archbishop of Montevideo states his indignation of the difficulty of recognition of the Catholic university: "in no other place does one have to ask Big Daddy-the government- permission to create a university" ("El mensaje", 1999, p. 17).

A second impediment to private universities is that there simply has been no need for other universities in the past. As data compiled by Levy (1986) indicate, Uruguay is different than other countries. Its secondary school enrollment as a percentage of the population has been the highest in Latin America for decades. All of these students have been served at the tertiary level by the national university. However, public opinion of the quality of the national university has declined dramatically. Only 13 percent of entering freshman in 1994 said the quality of the public university was "very good", while 40 percent said privates were "very good." Conversely, 18 percent thought the quality at the public was "bad," while only two percent labeled privates that way (CEPAL, 1994, p. 343).

Nevertheless, despite the historic monopoly of the state university, a growing number of students and parents are "voting with their feet," pursuing options other than the national university. The portion of private secondary students in their last year of studies in the capital city of

Montevideo is 23 percent (Ministerio de Educación, 1997). In fact, there are more private secondary schools than public in Montevideo. These indications signal a change in post-secondary education since students typically choose to attend public secondary schools rather than privates to facilitate their entry into the national university. Furthermore, those who attend private schools tend to be better prepared academically and private schools have "greater success" than their public counterparts in fulfilling their educational promises (CEPAL, 1994, p. 75)

A third factor influencing privatization is barriers created by the government. There has been great jealousy on the part of the national university. The national normal school, responsible for primary and secondary teacher preparation, is not a part of the university system. It has long been viewed as competition by the university's College of Education (Segarra, 1991). Not surprisingly, the national university has also been opposed to the recognition of private universities. Typical is the view of Errandonea (1998), who, despite large numbers of entering students opting for private universities, maintains that "95 % of the tertiary teaching" is done by the national university (p. 183), and the decision to recognize private universities is "absurd" (p. 147). The number of students graduating from just two private universities in 1996 was 216, while 2724 graduated from the state university (Ministerio de Educación, 1997). However, according to Errandonea, if private universities must exist, they should be regulated by an autonomous body. He suggests the national university as the perfect entity to watch the private universities. He is incensed that politicians have forcibly created competition for the national university. At the present time, the government regulates private tertiary education with a special eight person committee (Sistema, 1996). Nevertheless, the national university exerts inordinate control, since only two seats belong to private universities, while three belong to the national university outright and three go to government administrators—alumni and former employees of the state university. The national university openly admits that they promoted the law which regulates privates, and continues today "without bias" (La universidad, 1997).

But a former President of Uruguay states that the tutelage of the state should end. Privates should be "totally and absolutely... independent" ("Universidades," 1999, p.8). Even a state-supported report on education remarks that the focus should be taken off the entrenched professors (CEPAL, 1994). Most students prefer high quality versus open access in their university system (CEPAL, 1994), whereas open access is the cornerstone of the national university. For its part, the national university

openly admits that private universities "cause it concern" (La universidad, 1997, p.32).

Like the national university, the Ministry of Education, usually headed by a former rector of the national university, has put several conditions on the recognition of private universities. In 1995, on the tenth anniversary of the founding of the Catholic university, an additional 20 institutions were already approved by the Ministry of Education, while up to 15 more were seeking approval ("La educación", 1995). The exact number was never revealed. Despite this "approval", only two private institutions are listed under post-secondary education in the latest Ministry of Education report (Ministerio de Educación, 1997).

Theoretical framework

Levy (1986) laid out conditions for privatization of universities in Latin America. His model, which analyzes systems based on factors of freedom, choice, equity, effectiveness, and usefulness to the state, will be used to consider three cases of "failed" institutions of higher learning in Uruguay (that is, institutions that were closed or modified substantially in 1998). These institutions were chosen because of the author's association with them.

Levy used the following terms to consider private universities in Latin America: freedom, societal choice, equity, effectiveness, and usefulness. Freedom is institutional autonomy from external control and academic freedom. Societal choice relates to diversity, adaptability, innovation, and lack of a remote bureaucracy. Equity depends on low costs and equal opportunity. Effectiveness is the ability to survive and garner resources, and usefulness is how the private institutions serve the state. Each institutional "failure" will be considered in these terms.

Three institutions

The following is a story of three institutions that "failed" in 1998, either closing entirely or being modified substantially; the Centro de Estudios Universitarios [Center for University Studies], the University of Maryland-Montevideo, and the Instituto de Economía de Montevideo [Montevideo Economic Institute]. The Centro de Estudios Universitarios or CEU, is currently a study abroad program for a consortium of North American Christian universities. The University of Maryland offers only distance learning through the Internet for its students in Uruguay, and the Instituto

de Economía de Montevideo, or IDEM, has become re-invented as part of an educational foundation.

The Centro de Estudios Universitarios was formed by Christian missionaries in Uruguay to provide primarily religious instruction on the post-secondary level. It began in 1993, and had a maximum of thirty students. It did not succeed because it lacked some of the basic elements cited by Levy.

It did not enjoy freedom, that is, institutional autonomy from external control. It was stifled by two conditions set by the Ministry of Education. First, it could not use the term "university" in its title, although it did offer post-secondary courses, because it did not have Ministry approval. Thus, it was advised by its legal counsel to call itself the Centro de Estudios [Study Center], even though this was a generic name for every possible institute in the country. "University" became a legal term, authorized only after final approval by a special committee. As a noun it means an approved institute teaching in "three non-related areas" and as an adjective an approved institute that offers courses in less than three areas (Sistema, 1996, p. 225). Second, it had to submit résumés of the faculty to be approved by the national university. Only if the state university recognized the degrees of 40 percent of the faculty could the recognition process go on to the next step. Only the national university has the "exclusive authority" to recognize foreign degrees (Sistema, 1996, p. 230). However, as most of the faculties had degrees in religion, and the national university does not offer such degrees, there was no competent body to re-validate these degrees. Thus official recognition was denied.

However, the CEU did reflect other elements: societal choice, equity, and usefulness. It was innovative in that it was the only institution that offered training in religion at the post-secondary level. Despite religious affiliation, the CEU was open to students of all backgrounds. In addition to instruction in religion it also offered instruction in anthropology and languages: English, Greek, and Hebrew. It was much cheaper than most language schools at $60 per course. It was also useful to the state. No university courses are available in religion, due to the division of church and state in Uruguay. Nor are there classes available in the Greek or Hebrew languages, with the exception of private institutions.

In the end, its "failure" was due to its lack of effectiveness, its ability to survive and garner resources. Unrelated to their tasks at the CEU, the faculty were also missionaries. Over time, the missionaries moved to other areas. Despite low cost and excellent faculty credentials, two factors have

forced the CEU to become an ad hoc study abroad program: one, the loss of its faculty through missionary reassignment, and two, the lack of students due to governmental impediments to advertising.

The second private university under consideration is the University of Maryland-Montevideo. It operated from 1992 to 1998, with a maximum of 40 students. Students typically studied business courses, with faculty flown in from Europe to teach each semester. Local faculty was also hired for specific courses. The University of Maryland-Montevideo or UMM, enjoyed more freedom than did the CEU.

Because it had official help from the US Embassy, the UMM never sought official recognition by the Uruguayan Ministry of Education, nor did it encounter opposition to its use of the term "university". Some lawyers interviewed suggested that it was because it used the term in English in its advertisements, while the national university was only opposed to the term in Spanish (cf. Sistema, 1995, p. 225) !

As part of the European Division of the University of Maryland, the UMM could count on specialized, experienced faculty. However, despite the innovation brought by foreign faculty, the UMM was encumbered by control from Germany. Its mandated academic calendar often conflicted with the local calendar. Announced class hours had to be rescheduled each semester and became awkward (for example, MWF 8-9 and every other Tuesday), as the local holidays were allowed, but additional time was not added to the academic calendar. This was due to the fact that faculty had to finish a course in South America by a certain date in order to start another in Europe. This meant offering courses during traditional Uruguayan vacation periods. Other requirements from Europe gave the impression that the UMM suffered from colonialism. Classes had to be taught in English, even though all the students and local faculty were native speakers of Spanish. Faculty had to have graduated from a (North) American university.

The program also failed the test of equity. It was one of the most expensive institutions at $280 per course (comparing unfavorably to the free national university). Technically open to students of all backgrounds, it had the stigma of elitism as all students had to be proficient in English at the university level. Equity is a major component of Uruguayan higher education; the national university has emphasized open access over quality (CEPAL, 1994), and privates must respect the constitutional requirement that "tertiary education is free" (Sistema, 1995, p. 224). Typical Maryland students came only from two elite bilingual private secondary schools. It

was useful, in the sense that it provided competition and stimulus for change. It offered an undergraduate degree in business, which was also offered by the national university. But its emphasis in marketing influenced several other institutions, including the national university, to offer the same specialization.

Despite large underwriting by the University of Maryland-European Division, the program was deemed not cost effective and terminated in 1998. Due to several factors, the University of Maryland-Montevideo is closed. It had high overhead costs, high tuition, and a small pool of potential students, based on its self-imposed limitations.

The third institution under consideration is the Instituto de Economia de Montevideo. The IDEM operated as an independent provider of post-secondary training for economists and bankers from 1990-1998, with approximately 120 students per year. Compared to the previous two institutions, it enjoyed far more of the elements cited by Levy. It was autonomous from the beginning, as it was formed by dissatisfied faculty of the national university as an independent entity in order to dedicate itself to teaching rather than politics and bureaucracy. By not seeking official recognition it could not claim the title "university", but it gained flexibility to focus on one area (Sistema, 1995). It was innovative, letting market forces decide the course offerings, as CEPAL suggested had happened to education in Uruguay (1994). The IDEM has become the trendsetter for preparing economists in the MEROSUR region. At $200 per course, it was accessible, as in most cases businesses paid the tuition for their employees. It was open to all students, and scholarships were often granted. It has served the state more directly than the other two institutions considered. It has prepared several professors employed by the national university and many economists in government offices.

Other institutions have copied its offerings, thus threatening its survival, as it focuses only on economics. The institute continues to teach courses, but has diversified itself, becoming part of a non-profit foundation. Its viability will be determined by its ability to maintain its market share of economists, and its ability to remain innovative. It seeks to increase publicity by hosting conferences and seminars with the foundation, and has bid on several educational projects, such as distance learning in rural areas of Uruguay.

Conclusion

The three institutions "failed" mainly because of factors cited by Levy. The UMM failed the tests of equity (elite in terms of social class) and freedom

(from external bureaucracy). The IDEM was threatened by its lack of uniqueness, ironically, when other institutions copied its own innovative programs. The CEU was unable to thrive due to government interference in its advertising, and due to the departure of its faculty. The first fits under Levy's heading of "freedom". However, Levy's model did not include the second major problem; i.e., departure of faculty.

The current Uruguayan system must change, as the public sector with its "artisan" approach to training cannot "mass produce" all of the trained citizens it needs (CEPAL, 1994, p. 382). Government must take steps to de-politicize the recognition process, reducing the role of the national university. As a former President noted, the government must get out of the business of private tertiary education ("Universidades," 1999). Further studies should be conducted on private universities in Uruguay, and compare their survivability to Levy's conditions.

Other private universities, extension programs, and study abroad programs can learn from the "failed" institutions cited above. Private institutions must have sufficient autonomy from external controls to respond to local needs. In contrast to the state university, they must not be burdened by bureaucracy. As Levy noted, "autonomy, choice, diversity, innovation, responsiveness...foster effectiveness" (1988, p. 9).

References

Bossi, J. (1994). La universidad que yo deseo [The university I would like]. In C. Barbato (Ed.) Universidad: El debate tras la fachada (pp. 73-82). Montevideo: Fin de Siglo.

Comisión Económica para América Latina y el Caribe:CEPAL (1994). Los bachilleres uruguayos: Quiénes son, qué aprendieron, y qué opinan [Uruguayan high school graduates: Who they are, what they learned, and what they think]. Montevideo: CEPAL.

El mensaje de la Iglesia no tiene "cierto tufillo a izquierda; huele a verdad" [The Catholic Church's message doesn't smell leftist-it smells of truth]. (1999, October 24). El Observador (Montevideo), pp. 16-17.

Errandonea, A. (1998). La universidad en la encrucijada [The university at the crossroads]. Montevideo: Nordan-Comunidad.

La educación superior ya tiene normas [Higher education has rules]. (1995, August 12). El Observador (Montevideo), p. 4.

La Universidad de la República en un tiempo de cambios: Sesión plenaria final realizada en el Paraninfo de la Universidad de la República [The University of the Republic in a time of change: Final session of seminar conducted in the auditorium of the National University]. (1997). Montevideo: Nemgraf.

Levy, D. C. (1986). Higher Education and the State in Latin America. Chicago: The University of Chicago Press.

Ministerio de Educación (1997). Anuario estadístico de educación 1996 [Annual statistical report of education for 1996]. Montevideo: Graphis.

Segarra, E. M. (1991). La fundación del Instituto de Profesores "Artigas" [The Founding of the Artigas Normal School], Anales de Enseñanza Secundaria,(Montevideo) 2(2), 6-10.

Sistema de Enseñanza Terciaria Privada [Private tertiary education systems]. (1996). In Registro Nacional de Leyes 1995 (pp. 223-232). Montevideo: IMPO.

Traversoni, A., Mazzara, S. & Arocena, M. (1991). Tiempo 3: Primera Parte [History 3: Part One]. Montevideo: Kapelusz.

Universdades privadas con más autonomía planteó Lacalle [Lacalle suggests more autonomy for private universities]. (1999, September 13). El País (Montevideo), p. 8.